

**MINUTES OF THE REGULAR MEETING OF MARCH 28, 2017
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for March 2017 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, March 28, 2017, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:00 p.m. Commissioners Russell Olsen, Linda Oosterman, and Chris Stearns were present for the meeting. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Director of Finance and Administration (DFA), and Kurin Rosado, Clerk to the Board.

Call to Order: Commissioner Oosterman called the regular meeting to order at 5:00 p.m. The Pledge of Allegiance was recited by all present.

Approval of Agenda: Commissioner Olsen made a motion to approve the agenda as amended: Commissioner Stearns seconded the motion; all in favor.

Consent Calendar:

Approval of Minutes: March 14, 2017, March 21, 2017
Prequalification of Contractors – Small Works Roster: None
SMA Contracts: None
Correspondence: None
Travel Approvals: None
Voucher Approval:
 Accounts Payable: March 15, 2017, March 22, 2017
 Payroll: March 20, 2017
Resolution: None
Other: None

Consent Calendar: Commissioner Stearns made a motion to approve the Consent Calendar as presented: Commissioner Olsen seconded the motion; all in favor.

Public Comments: None

At 5:03 p.m., Commissioner Oosterman announced that the Board would be entering Executive Session to discuss potential real estate acquisitions, as authorized by RCW 42.30.110 (1)(b) until 5:38 p.m. At 5:38 p.m., it was announced in the public area that the Executive Session would be continued until 6:10 p.m. At 6:10 p.m., the Executive Session was adjourned and the regular meeting resumed. No decisions were made.

Information or Discussion of Operations/Policy Issues:

Appointment of Delegate to WPUDA Government Relations and Communications Committees

GM Weidenfeller received a request from WPUDA personnel to relay the PUD's appointment of delegates/alternates for several WPUDA committees for 2017-2018. Commissioner Oosterman and Commissioner Stearns discussed this matter - it was decided that Commissioner Oosterman will be listed as the primary delegate for the Government Relations Committee, and Commissioner Stearns will be listed as the primary delegate for the Communications Committee.

Employee Share of Health Care Costs

DFA Parker received more information on the projected health care costs; the health care premium is based on experience, and the 2016 experience is significantly higher than the previous year. Based on the new information, DFA Parker provided a report on the updated 2017 co-pay amounts based on experience. Most category groups increased by about 30 percent. Commissioners and staff discussed costs for elected officials and employees.

PUD Goals for Thurston Regional Planning Council (TRPC)

Commissioner Stearns reported on his meeting with Marc Daily, the Executive Director of TRPC, on March 20th. Commissioner Olsen discussed notes from the 2016 TRPC Retreat, the upcoming 2017 Retreat, and his work with the TRPC Planning Committee. Commissioner Olsen and GM Weidenfeller will be presenting to the other members of TRPC about the PUD on April 7th. Commissioners and staff also discussed attendance at the Thurston County Chamber of Commerce, as well as the Lacey Chamber of Commerce.

At 6:55 p.m., Commissioner Oosterman announced that the Board would be entering Executive Session to discuss potential real estate acquisitions, as authorized by RCW 42.30.110 (1)(b) until 7:10 p.m. At 7:10 p.m., the Executive Session was adjourned and the regular meeting resumed. No decisions were made.

Action Items:

Resolution 17-11, Purchase of 1230 and 1240 Ruddell Road SE

The purpose of this resolution is to authorize the General Manager to approve and sign real estate contracts related to the purchase of 1230 and 1240 Ruddell Road SE, making necessary tenant improvements, and a lease for parking PUD and employee vehicles. The Commissioners discussed parking at the new building, but went into Executive Session to discuss more information (see above). **Commissioner Olsen made a motion to approve Resolution 17-11 as presented; Commissioner Stearns seconded the motion; all in favor.**

Satellite Management Agency (SMA) Contract for SMA Management of City of Roy Water System

In 2015, GM Weidenfeller presented a proposal to the City of Roy to manage their water system with the ultimate objective being ownership of the system, but privately owned management company was hired at that time. The General Manager has since received contact from the City's Mayor to inquire about managing the water system.

Commissioners and staff discussed information regarding the water system, and the Commissioners didn't have any objections to authorizing GM Weidenfeller to approve an SMA contact with the City of Roy. The General Manager estimates that the PUD will manage the City effective May 1st.

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. He reported that due to the Director of Operations and Compliance's effort, the PUD is listed in the Washington State Senate's Capital Budget for a total of \$1,028,000. He also reported that he will be presenting at WPUA on March 30th regarding the generator project; the generator will be on-site for this presentation. Staff held a community meeting for customers of the Maxvale water system, but no one attended the meeting. In addition, the General Manager relayed a water quality complaint received from a customer on the H Muck 2 water system in Pierce County, and a chlorination inquiry from a customer on the Nisqually Highlands water system in Thurston County.

Commissioners and staff discussed the Maxvale water system, the Cedar Ridge Estates water system, water rights, the acquisition of water systems, and the tour of the Thurston County facilities (scheduled for April 10th). The General Manager went through the operations report with the Commissioners. The Director of Operations and Compliance, Kim Gubbe, reorganized the projects timeline, per Commissioner Oosterman's request.

Finance Report: Julie Parker, Director of Finance and Administration

DFA Parker provided a written report. She reported on the financing options for the new building – a Request for Proposal (RFP) will go out to five banks to submit financing information to the District. The DFA will bring forward a draft resolution at the April 11th Commission meeting; the bond attorney will be present at that meeting to answer any questions.

Commissioner Topics, Discussion and Reports:

Commissioner Olsen discussed TRPC earlier in the meeting. He spoke about current offers for unlimited data from major cellular network providers, and how this technology curve affects other PUDs offering telecommunication services. The Commissioners discussed the telecommunications project to serve a community event.

Commissioner Oosterman had nothing to report. Commissioner Olsen was fine with Commissioner Oosterman attending Lacey Chamber of Commerce meetings, even though he is listed as the primary delegate for this organization.

Commissioner Stearns will attend the Kitsap PUD tour of the Port Gamble wastewater treatment plant on April 4th.

Summary of Assignments:

- Update the Commissioner Assignment Matrix so that Commissioner Oosterman is listed as the primary delegate for WPUDA's Government Relations Committee, and Commissioner Stearns is listed as the primary delegate for WPUDA's Communication Committee.

Adjournment: Commissioner Olsen made a motion to adjourn the meeting; Commissioner Stearns seconded the motion; all in favor. The meeting was adjourned at 8:47 p.m.



Linda Oosterman, Commissioner and President

Attest:



Russell E. Olsen, Commissioner and Secretary